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Public sector workers are experiencing unprecedented attacks on their pay and conditions

Grim tide hits public sector

Pensions may be the issue fuelling this month's strike action by public servants, but the attack on pensions is not the only threat staff are facing.

This month, the bitter and protracted dispute over pensions looks likely to produce the biggest industrial action since the 1926 General Strike.

On 30 November, nationwide strikes by up to three million public sector workers, including local authority workers, civil servants, NHS staff, teachers and lecturers are set to take place.

The co-ordinated action has been organised by the TUC in protest at government plans to make workers pay extra in pension contributions.

These plans are scheduled to be implemented from next April, at a time when the government wants to push forward proposals to increase the retire-

ment age for state employees, and when the public sector is currently facing a pay freeze.

There is a two-year pay freeze across much of the public sector, although in practice this is longer in local government in England and Wales (see *Labour Research*, October 2011, page 12).

The strike follows a 24-hour walkout by hundreds of thousands of teachers and civil servants over the pensions issue on 30 June, and anticipates a likely rolling programme of stoppages in the coming months.

The threat to pensions is viewed by public sector workers and their unions as unprecedented. As member of the PCS civil service union's national execu-

tive Zita Holbourne told *Labour Research*: "Our pay is frozen, which in real terms is a pay cut due to the rise in living costs, and the government want us to pay in more towards our pensions, get less back and work longer to receive our pensions."

She added that the knock-on impact of expecting workers to work longer "will mean that some will die before they see their pension, live in poverty in retirement if they survive", and that "unemployment rates for young people, already at unprecedented levels, will rise to even higher levels".

Yet while there is considerable anger and alarm over what is happening around public sector pensions, it is far from the only threat facing the UK's punch-drunk public sector and its public servants.

For the attack on pensions, and the pay freeze, is being accompanied by enormous job losses and closures as well, say unions, as "alarming" attacks on pay and conditions.

Figures from the Office for National Statistics (ONS), released in September, showed that in the second quarter of 2011, between April and June, 110,000 public sector jobs were lost. These losses have occurred at a much greater rate than anticipated, and are already five times greater than expected for the

■ 'WORKING TO LIVE, NOT LIVING TO WORK'

Unsurprisingly, unions report that morale in the public sector is currently at rock bottom, something backed up by research undertaken by Warwick Business School and Birbeck College and published in August 2011.

Employee responses to the cuts: a survey about the experiences of change in the public services surveyed 1,160 employees from a range of public sector organisations.

The study looks at how the announcement of the Comprehensive Spending Review (CSR) in 2010, and the period after it, affected employee well-being, attitudes, behaviours and service to the public.

The study found a high level of negative emotion at work, with a range of "dysfunctional" outcomes for individuals – including worsening health – and for organisations. In the latter case, this amounted to lower engagement, trust and loyalty.

Those who responded to the survey following the 2010 CSR announcement were even more pessimistic, reporting "less emotional well-being", and "less favourable attitudes towards leadership and the organisation".

Heather Wakefield, national officer for the UNISON public services union, said that this "breach of the

'psychological contract' felt by public sector workers" is easy to understand, particularly in local government where the coalition's cuts have followed a sustained period of under-spending.

"Indeed," she added, "the Conservative Local Government Association has publicly boasted of the fact that it made 50% more cuts than required by New Labour in the Comprehensive Spending Review up to 2008.

"The current 'slash and burn' approach of the coalition is therefore just rubbing salt into a very open wound."

National officer for the health sector in the Unite union Barrie Brown said

that in addition to declared redundancies, employers in the health service have frozen vacancies, "leaving staff with heavier workloads and inevitably an impact on their morale and health".

Zita Holbourne, a member of the PCS civil service union's national executive, said that morale is now at its lowest, thanks to lack of job security, a pressured environment and fewer people left to do the work.

She said: "We should be working to live, not living to work and should all have a decent living wage with which we can pay our bills, put groceries on the table and provide for our dependents."

whole year – earlier this year, the Office for Budget Responsibility had predicted job losses of 20,000 in the sector before the end of the financial year.

According to the ONS, the fall to 6.04 million in the total number of public sector employees in the quarter, was the biggest since comparable records began in 1999.

A study by research body the Institute for Government suggests that the jobs axe may be being particularly heavily wielded in the civil service. *Whitehall monitor 8 – analysis of civil servant head-count statistics*, points out that, while according to ONS research the public sector has reduced full time equivalent (FTE) staff by 3.16%, core Whitehall numbers have been reduced by 8.7%. And in some Whitehall departments, the cuts have been even more severe.

For example, the Department for Communities and Local Government (DCLG) has seen cuts to FTEs of 19.8%, the Home Office 17.6% and the Business, Innovation and Skills department, 15.7%.

'Staggering'

The researchers point out that their analysis shows that "there is now a serious and momentous drive" to reduce the number of civil servants in Whitehall, with "the cuts running at more than twice the rate in the public sector overall". Pointing in particular to the DCLG's cuts of almost 20%, they describe some of the reductions as "quite staggering".

Meanwhile, in local government, tens of thousands of jobs have also been slashed – 57,000 in the second quarter of 2011 according to the ONS.

An analysis of ONS statistics published last month by the GMB general union revealed that just over 100,000 FTE jobs, in both the teaching and non-teaching workforces, have disappeared in local authorities in England since the 2010 general election.

Topping the list with the highest number of job losses was Tory-controlled Kent County Council which has shed 3,107 jobs since the general election – a drop in the FTE workforce of 12.2%.

Of the 20 authorities with the highest number of job cuts, Swindon, another Conservative council, managed to slice the FTE workforce almost in half. Before the election it had 4,486 FTE employees. By the second quarter of 2011, this had plummeted to 2,429 – a 45.9% drop.

Pay and conditions

What is more, employers appear intent on hacking away at the pay and conditions of those remaining in post. Heather Wakefield, national officer for local government at the UNISON public services union, told *Labour Research* that cuts to pay and conditions are "myriad" – and these cuts are happening to many workers who already occupy the lower rungs of the pay ladder.

She said: "Of the 1.7 million workers in local government (excluding teachers

and firefighters), 45% earn below £18,000 and 70% less than £21,000 – or equivalent for part-time workers. It is already the lowest paid group within the public sector, with the worst conditions of service, but is now feeling the full force of the singling-out of local government for a disproportionate slice of the cuts and 'front-loading'." The Local Government Association estimates that 10% of jobs will go.

Undermining

Wakefield said that in 2010, the Local Government Employers issued advice to all councils, entitled *Reducing workforce costs*, "exhorting them to cut pay, conditions and jobs – replacing them with interns and volunteers where necessary". All of this happened without any discussion with trade unions, "and represents a significant undermining of sector-wide collective bargaining".

She added: "The results have been alarming. Conservative-run councils in high cost-of-living areas such as Hampshire, Southampton and Hertfordshire have made – or proposed – cuts to basic pay of 2%. Increments have been frozen in a number of councils, while unsocial hours payments for already low paid women workers are disappearing too. Car allowances – which weren't updated centrally this year – have been slashed, as have redundancy agreements, with redundancy pay now heading towards the statutory minimum. In one council,

occupational maternity pay will disappear next year."

One tactic increasingly used by employers, particularly local authority employers, is that of issuing collective redundancy notices to the workforce as a prelude to re-engaging them on less favourable terms (see forthcoming *Labour Research* feature, December 2011). This has been the case at Southampton council where the workers have responded by engaging in selective, targeted strike action, with different groups among the council's workforce taking strike action at different times.

Worst employers

National officer for the Unite general union Peter Allenson said the union was seeing the use of this tactic, "often the preserve of the worst private sector employers ... to avoid any necessity to collectively bargain". And the tactic had led to "pay, allowances and holiday and sick pay entitlement reduced".

Unite national officer for the health sector, Barrie Brown, told of a similar squeeze on terms and conditions in the health sector.

He said that not only are NHS staff subject to the government's public sector pay freeze, they are also experiencing "further attacks on their pay from NHS

employers who are grappling with the £20 billion of 'cost efficiency savings' in England, and comparable requirements in the devolved administrations".

A clear instance of this, said Brown, was the way in which a "significant number of employers are seeking ways to prevent staff from receiving their contractual right to pay progression within their pay grades".

He said that, for example: "In Manchester, the Central Manchester University Children's Hospital Foundation Trust has withheld pay progression from some staff based on their sickness record. This is being contested by Unite and other unions at the employment tribunal which will be heard in January."

Alongside this, employers in England have been negotiating new on-call payment arrangements for "24/7 working in key areas". These proposals would mean, said Brown, "annual income losses of thousands of pounds for many health staff, including pharmacists and healthcare scientists".

UNISON's Heather Wakefield emphasised that the cuts "are also exacerbating the unequal treatment of groups of workers within public services and the public sector as a whole".

She said that, for example: "Occupational groups like teaching assistants and

police support staff, introduced to 'modernise' the skill mix and profile of teaching and policing, are now targeted for redundancy and cuts to pay and conditions."

The point about equal treatment was echoed by the PCS's Zita Holbourne, who said that black workers are concentrated in the lowest grades, on the lowest pay, "so the impact of a pay freeze is even harder on them".

Reduction

She added that the union had information which "tells us that there has been an 8%-9% reduction in female membership, which we believe is directly due to job cuts, and the same is probably likely for black and disabled workers." What is more: "Disabled workers are being hit by harsh sickness absence policies."

While pensions may be the issue over which unions have been balloting for strike action in the run-up to 30 November, it's clear public sector workers are experiencing attacks on a huge range of fronts over and above pensions.

As Unite's Peter Allenson put it: "This is why Unite believes that the plunder of public sector pensions is the final straw, and our members' sense of anger and frustration will now boil over with a resounding 'yes' vote in the industrial action ballot."